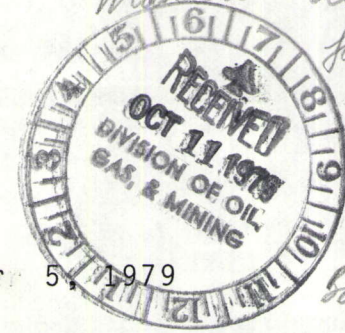


Atlas Minerals
Division of Atlas Corporation
Big Indian Mines
Moab, Utah
84532



Se October 5, 1979

Mr. K. Michael Thompson, Engineering Geologist
State of Utah, Dept. of Natural Resources
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

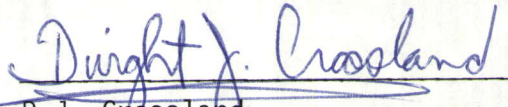
Dear Mike:

In answer to the query from your office as to why you haven't received the reclamation surety contract for the Velvet Mine - I don't know the answer. Apparently, it was mailed from here by John Hunerjager in February of this year.

At any rate, I am enclosing the back-up copy from our files for your use. As regards our start-up of operations, I believe that this is covered under the "Memorandum of Agreement" between myself and Mr. Stewart dated October 26, 1978. I am looking forward to the successful conclusion of this matter, resulting in receipt of final approval for the Velvet Mine.

Please contact me directly on future reclamation matters, so that I may give them prompt attention.

Sincerely,


D.J. Crossland
Chief Engineer

DC/nm

Enclosure